GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1944
ANSWERED ON:13.03.2008
FINANCIAL ASSISTANCE TO THE PAPER INDUSTRIES
Singh Shri Ganesh

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government is importing paper in bulk despite presence of indigenous paper industries in the country;

(b) if so, the details and the reasons therefor;

(c) whether the Government has given directions to the paper industries in the country to install new technology for enhancing their production;

(d) if so, whether the Government has extended any financial assistance to the paper industries particularly to Hindustan Newsprint Limited (HNL);

(e) if so, the details thereof, industry-wise particularly HNL;

(f) if not, the reasons therefor; and

(g) the steps taken/proposed to be taken to provide financial assistance to HNL?

Answer

MINISTER OF STATE IN THE DEPARTMENT OF HEAVY INDUSTRY, MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES(SMT. KANTI SINGH)

(a)&(b): Paper and paper products are on Open General Licence (OGL). Imports of Newsprint during the last five years are as follows:-

Financial year	Quantity of Import (Tonnes)	
	Newsprint	Paper Board & Manufacturers
2003-04	738598	315034
2004-05	677930	295549
2005-06	691260	426141
2006-07	794220	469208
2007-08 (Upto Sept'07)	424467	357400

There is a gap between demand and indigenous supply of Newsprint. High quality papers including packaging paper are imported to meet specific needs of some segments of user industry.

(c)to(f): Government has approved expansion cum diversification project of HNL with a capital outlay of Rs.718.8 crore which involves capacity enhancement to 2,70,000 MT from the present capacity of 1,00,000 MT with swing facility to produce writing paper. Funding of this project is to be arranged by HNL and no budgetary support has been sought from Government of India.

Government has approved revival of Nagaland Pulp & Paper Company Limited with cash infusion of Rs.552.44 core through Government equity of Rs.261.26 crore out of which Rs.10 crore will be contributed by HPC and term loan of Rs.252.99 crore to be availed from commercial banks/financial institutions by NPPC with Government of India guarantee and 5% non-cumulative redeemable preference shares of Rs.38.19 crore.

(g): HNL is a profit making mini-ratna category Central Public Sector Enterprise and is not entitled to budgetary support.